



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-147]

Paper File Folders from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that paper file folders from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is April 1, 2022, through September 30, 2022. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Zachariah Hall, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6261.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on November 8, 2022.¹ On February 13, 2023, Commerce postponed the preliminary determination of this investigation until May 10, 2023.²

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are paper file folders from China. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,⁴ we set aside a period of time, as stated in the *Initiation Notice*, for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments on the record of this investigation, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁶ As discussed in the Preliminary Scope Decision

¹ *See Paper File Folders from the People's Republic of China, India, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 87 FR 67441-47 (November 8, 2022) (*Initiation Notice*).

² *See Paper File Folders from the People's Republic of China, India, and the Socialist Republic of Vietnam: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 88 FR 9226 (February 13, 2023).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Less-Than-Fair-Value Investigation of Paper File Folders from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁵ *See Initiation Notice*, 87 FR at 67442.

⁶ *See* Memorandum, "Antidumping Duty Investigations and Countervailing Duty Investigation of Paper File Folders from the People's Republic of China, India, and the Socialist Republic of Vietnam: Preliminary Scope Decision Memorandum," dated concurrently with this notice (Preliminary Scope Decision Memorandum).

Memorandum, Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice*. See the revised scope in Appendix I to this notice.

The deadline to submit scope case briefs is established in the Preliminary Scope Decision Memorandum. There will be no further opportunity to comment on scope-related issues.⁷

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Pursuant to sections 776(a) and (b) of the Act, we have preliminarily relied upon facts otherwise available, with adverse inferences for the China-wide entity. The China-wide entity includes CRE8 Direct (Ningbo) Co., Ltd., and Ningbo Guangbo Import & Export Co., Ltd., the companies selected for individual examination, because they failed to respond to Commerce's antidumping questionnaire, and all other exporters who failed to respond to Commerce's quantity and value (Q&V) questionnaire and/or failed to submit a separate rate application, as instructed in the *Initiation Notice*.⁸ Because no companies are eligible for a rate separate from the China-wide entity, all exporters of Chinese paper file folders are preliminarily found to be part of the China-wide entity. We assigned the highest margin alleged in the Petition⁹ (*i.e.*, 192.70 percent) to the China-wide entity as adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act. For a full description of the methodology underlying the preliminary determination, see the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*, Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation.¹⁰

⁷ Case briefs and rebuttal briefs submitted in response to this preliminary LTFV determination should not include scope-related issues. See Preliminary Scope Decision Memorandum; and the "Public Comment" section of this notice, *infra*.

⁸ See *Initiation Notice*, 87 FR at 67446 ("Commerce requires that respondents from China and Vietnam submit a response to both the Q&V questionnaire and the separate rate application by the respective deadlines in order to receive consideration for separate-rate status").

⁹ See Petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Paper File Folders from China, India, and Vietnam," dated October 12, 2022 (Petition). The petitioner is the Coalition of Domestic Folder Manufacturers. The members of the Coalition of Domestic Folder Manufacturers are: Smead Manufacturing Company, Inc.; and TOPS Products LLC.

¹⁰ *Id.*, 87 FR at 67445-46.

Policy Bulletin 05.1 describes this practice.¹¹ In this case, because no companies qualified for a separate rate, producer/exporter combination rates were not calculated for this preliminary determination.¹²

Preliminary Determination

Commerce preliminarily determines that the following estimated dumping margin exists:

Exporter/Producer	Estimated Dumping Margin (percent)
China-wide Entity	192.70

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as indicated in the chart above, as follows: (1) for all Chinese exporters of subject merchandise, the cash deposit rate will be equal to the estimated dumping margin established for the China-wide entity; and (2) for all third-country exporters of subject merchandise, the cash deposit rate is also the cash deposit rate applicable to the China-wide entity. These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with a preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily determined

¹¹ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's website at <https://enforcement.trade.gov/policy/bull05-1.pdf>.

¹² See Preliminary Decision Memorandum.

that all companies are part of the China-wide entity and assigned as AFA to the China-wide entity a rate that is based solely on the margin alleged in the Petition, there are no calculations to disclose.

Verification

Because the mandatory respondents in this investigation did not provide information requested by Commerce by the established deadline and Commerce preliminarily determines in accordance with section 776(b) of the Act that each of the mandatory respondents has been uncooperative, verification will not be conducted.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of the preliminary determination.¹³ Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.¹⁴ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁵

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and

¹³ See 19 CFR 351.309(c)(1)(i); *see also* 19 CFR 351.303 (for general filing requirements).

¹⁴ See 19 CFR 351.309(d); *see also* 19 CFR 351.303 (for general filing requirements).

¹⁵ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Final Determination

Section 735(a)(1) of the Act and 19 CFR 351.210(b)(1) provide that Commerce will issue the final determination within 75 days after the date of its preliminary determination.

Accordingly, Commerce will make its final determination no later than 75 days after the signature date of this preliminary determination.¹⁶

U.S. International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the U.S. International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act, and 19 CFR 351.205(c).

Dated: May 10, 2023.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

¹⁶ On April 25, 2023, pursuant to section 735(a)(2)(B) of the Act, the petitioner requested that Commerce postpone the final determination deadline if the preliminary determination is negative. However, as the preliminary determination is affirmative and Commerce has not received a postponement request from exporters who account for a significant proportion of exports of the subject merchandise pursuant to section 735(a)(2)(A) of the Act, the final determination deadline remains 75 days after the date of the preliminary determination in accordance with section 735(a)(1) of the Act.

Appendix I

Scope of the Investigation

The products within the scope of this investigation are file folders consisting primarily of paper, paperboard, pressboard, or other cellulose material, whether coated or uncoated, that has been folded (or creased in preparation to be folded), glued, taped, bound, or otherwise assembled to be suitable for holding documents. The scope includes all such folders, regardless of color, whether or not expanding, whether or not laminated, and with or without tabs, fasteners, closures, hooks, rods, hangers, pockets, gussets, or internal dividers. The term “primarily” as used in the first sentence of this scope means 50 percent or more of the total product weight, exclusive of the weight of fasteners, closures, hooks, rods, hangers, removable tabs, and similar accessories, and exclusive of the weight of packaging.

Subject folders have the following dimensions in their folded and closed position: lengths and widths of at least 8 inches and no greater than 17 inches, regardless of depth.

The scope covers all varieties of folders, including but not limited to manila folders, hanging folders, fastener folders, classification folders, expanding folders, pockets, jackets, and wallets.

Excluded from the scope are:

- mailing envelopes with a flap bearing one or more adhesive strips that can be used permanently to seal the entire length of a side such that, when sealed, the folder is closed on all four sides;
- binders, with two or more rings to hold documents in place, made from paperboard or pressboard encased entirely in plastic;
- binders consisting of a front cover, back cover, and spine, with or without a flap; to be excluded, a mechanism with two or more metal rings must be included on or adjacent to the interior spine;
- non-expanding folders with a depth exceeding 2.5 inches and that are closed or closeable on the top, bottom, and all four sides (*e.g.*, boxes or cartons);
- expanding folders that have (1) 13 or more pockets, (2) a flap covering the top, (3) a latching mechanism made of plastic and/or metal to close the flap, and (4) an affixed plastic or metal carry handle;
- folders that have an outer surface (other than the gusset, handles, and/or closing mechanisms, if any) that is covered entirely with fabric, leather, and/or faux leather;
- fashion folders, which are defined as folders with all of the following characteristics: (1) plastic lamination covering the entire exterior of the folder, (2) printing, foil stamping, embossing (*i.e.*, raised relief patterns that are recessed on the opposite side), and/or debossing (*i.e.*, recessed relief patterns that are raised on the opposite side), covering the entire exterior surface area of the folder, (3) at least two visible and printed or foil stamped colors (other than the color of the base paper), each of which separately covers no less than 10 percent of the entire exterior surface area, and (4) patterns, pictures, designs, or

artwork covering no less than thirty percent of the exterior surface area of the folder;

- portfolios, which are folders having (1) a width of at least 16 inches when open flat, (2) no tabs or dividers, and (3) one or more pockets that are suitable for holding letter size documents and that cover at least 15 percent of the surface area of the relevant interior side or sides; and
- report covers, which are folders having (1) no tabs, dividers, or pockets, and (2) one or more fasteners or clips, each of which is permanently affixed to the center fold, to hold papers securely in place.

Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (HTSUS) category 4820.30.0040. Subject imports may also enter under other HTSUS classifications. While the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Selection of Respondents
- V. Discussion of the Methodology
- VI. Recommendation

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